

**Statement of Hal Daub, President and CEO, AHCA/NCAL
Before the White House Conference on Aging Planning Committee
September 10, 2004**

Good afternoon. I am Hal Daub, President and CEO of the American Health Care Association and the National Center for Assisted Living—the largest association of for- and not-for-profit long term care facilities. I am also the chairman of the President's Social Security Advisory Board.

As you can imagine, I am keenly aware of the threats to the future of our nation's long term care services, and I'm pleased to be here before the members of the White House Conference on Aging policy committee as you begin to shape a bold agenda for addressing these issues.

The main problem is that our nation has no long term care strategy, and I'm here to talk about three issues that we must deal with as a consequence: the quality of long term care; the number of people available to provide it; and how we, as a nation, are going to pay for it.

First, about quality. Long term care providers nationwide are preparing for the influx of patients and residents by putting the focus squarely on one area they can control: quality. Through work with the government on its Nursing Home Quality Initiative and with other caregivers on the voluntary, long term care profession-wide Quality First initiative, providers have demonstrated that the future of long term care is brimming with potential. Quality not only means quality care, but quality care in the right setting. Our government needs to promote options so that patients can receive the highest quality care in the most appropriate setting. A one-size-fits-all approach would be misguided. It is our responsibility to make sure that choice in long term care exists—and that the option of facility-based care for those who need it isn't compromised in the name of diversifying options.

Second, it is impossible to think about the impending boom of people needing long term care services without also taking into consideration the need to ensure that enough caregivers are available. The United States Departments of Health and Human Services and Labor predict that, by 2050, 6.5 million caregivers will be necessary to care for individuals needing long term care. Meanwhile, today there are roughly 100,000 vacant nursing positions in nursing homes nationwide. Therefore, I ask the Commission to address the issue of recruiting, training and retaining the workforce that will be necessary to care for the long term care patients and residents of tomorrow.

Third, how to pay for long term care. Our nation is on the verge of a long term care funding catastrophe. While much of the current health policy debate focuses on the 44 million individuals in America who lack insurance for doctor and hospital bills, the real looming crisis of the uninsured is in the area of long term care. There currently are 82 million people age 45 and older that have no long term care insurance and who are not eligible for Medicaid—the payer for the majority of those receiving long term care services. Twenty-seven million of those folks are 65 and older. The 2004 report of the Trustees of the Social Security and Medicare Trust Funds finds that Medicare will become insolvent in 2019. That's Medicare, the situation with Medicaid is worse. Medicaid presently under funds long term care by more than \$4 billion. And, this year alone, 49 states reported implementing Medicaid cost-containment measures, according to the Kaiser Family Foundation. Medicare and Medicaid are in trouble, yet still our long term care delivery system remains focused on these programs.

The White House Conference on Aging can be the catalyst for reform of our long term care system so that our ability to offer services keeps pace with the impending demographic explosion of our most frail and vulnerable citizens.

Thank you for the opportunity to be here today. I have great respect for the work you are doing and for the enormous task that lies ahead. Your agenda must include a thorough examination of how we must prepare for the future of long term care. The American Health Care Association stands ready to assist you in every way possible, as you gather information and during what promises to be a stellar conference.

The American Health Care Association (AHCA) and the National Center For Assisted Living (NCAL) are committed to quality and performance excellence in the long term care profession and actively support Quality First, a covenant for healthy, affordable, and ethical long term care, and adherence to its principles and goals. Nationwide, AHCA and NCAL represent more than 10,000 non-profit and for-profit facilities that are dedicated to professional and compassionate care to more than one million elderly and disabled

individuals daily in nursing facilities, assisted living residences, subacute centers and homes for persons with mental retardation and developmental disabilities.